SMIT HOLDINGS LIMITED
國微技術控股有限公司

（於開曼群島註冊成立的有限公司）

(Incorporated in the Cayman Islands with limited liability)

（股份代號：2239）

(Stock Code: 2239)

截至二零一八年十二月三十一日止年度的年度業績公告
ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

國微技術控股有限公司(「**本公司**」或「**國微技術**」)董事會(「**董事會**」)謹此公佈本公司及其附屬公司(統稱為「**本集團**」)截至二零一八年十二月三十一日止年度「**報告期**」的綜合業績以及二零一七年同期的比較數字。

The board of directors (the "**Board**") of SMIT Holdings Limited (the "**Company**" or "**SMIT**") hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2018 the "**Reporting Period**" together with the comparative figures for the corresponding period in 2017.

綜合收益表
截至二零一八年十二月三十一日止年度

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2018

			截至十二月三十一日止年度 Year ended 31 December	
			二零一八年 2018	二零一七年 **2017**
		附註 Note	美元 USD	美元 USD
收益	Revenue	4	41,318,578	91,780,923
銷售成本	Cost of sales	5	(27,641,807)	(59,277,526)
毛利	**Gross profit**		13,676,771	32,503,397
其他收益／(虧損)淨額	Other gains/(losses), net	4	3,967,391	(1,982,646)
其他收入	Other income	4	1,013,346	1,045,476
研發開支	Research and development expenses	5	(7,799,119)	(7,765,265)
銷售及分銷開支	Selling and distribution expenses	5	(2,663,959)	(2,982,378)
一般及行政開支	General and administrative expenses	5	(9,621,953)	(7,248,639)
經營(虧損)／溢利	**Operating (loss)/profit**		(1,427,523)	13,569,945
融資收入淨額	Finance income, net	6	1,149,740	461,282
除稅前(虧損)／溢利	(Loss)/profit before income tax		(277,783)	14,031,227
所得稅抵免／(開支)	Income tax credit/(expense)	7	1,593,307	(2,932,359)
年內溢利	**Profit for the year**		1,315,524	11,098,868
以下人士應佔溢利：	**Profit is attributable to:**			
本公司擁有人	Owners of the Company		1,317,734	11,098,868
少數股東	Non-controlling interests		(2,210)	–
			1,315,524	11,098,868
年內本公司擁有人應佔每股盈利（以每股美元表示）	Earnings per share attributable to owners of the Company for the year (expressed in USD per share)			
每股基本盈利	Basic earnings per share	8	0.004	0.037
每股攤薄盈利	Diluted earnings per share	8	0.004	0.035

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

		截至十二月三十一日止年度 Year ended 31 December	
		二零一八年 2018 *美元 USD*	二零一七年 **2017** *美元 USD*
年內溢利	**Profit for the year**	1,315,524	11,098,868
其他全面（虧損）╱收益	**Other comprehensive (loss)/income**		
後續可能重新分類至損益的項目	*Item that may be reclassified subsequently to profit or loss*		
匯兑差額	Translation differences	(3,807,022)	4,282,023
年內全面（虧損）╱收益總額	**Total comprehensive (loss)/income for the year**	(2,491,498)	15,380,891
以下人士應佔年內全面（虧損）╱收益總額：	Total comprehensive (loss)/income for the year is attributable to:		
本公司擁有人	Owners of the Company	(2,487,783)	15,380,891
少數股東	Non-controlling interests	(3,715)	–
		(2,491,498)	15,380,891

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一八年十二月三十一日

As at 31 December 2018

			於十二月三十一日 As at 31 December	
			二零一八年 **2018**	二零一七年 **2017**
		附註 Note	*美元 USD*	*美元 USD*
資產	**ASSETS**			
非流動資產	**Non-current assets**			
物業、廠房及設備	Property, plant and equipment		1,735,894	2,006,053
其他無形資產	Other intangible assets		5,053,319	86,311
商譽	Goodwill		22,151,954	6,570,079
貿易及其他應收款項及預付款項	Trade and other receivables and prepayments	10	41,750	545,554
透過損益按公平值入賬的金融資產	Financial assets at fair value through profit or loss		18,246,807	3,808,986
遞延所得稅資產	Deferred income tax assets		2,770,689	1,022,564
			50,000,413	14,039,547
流動資產	**Current assets**			
存貨	Inventories		9,981,613	16,727,865
貿易及其他應收款項及預付款項	Trade and other receivables and prepayments	10	20,836,355	13,291,275
可收回所得稅	Income tax recoverable		138,006	–
短期銀行存款	Short-term bank deposits		–	3,523,375
受限制銀行存款	Restricted bank deposits		5,000,000	–
現金及現金等價物	Cash and cash equivalents		54,962,324	84,100,969
			90,918,298	117,643,484
總資產	**Total assets**		140,918,711	131,683,031

			於十二月三十一日 As at 31 December	
			二零一八年 **2018**	二零一七年 **2017**
		附註 *Note*	*美元* *USD*	*美元* *USD*
權益及負債	**EQUITY AND LIABILITIES**			
本公司擁有人應佔權益	**Equity attributable to owners of the Company**			
股本	Share capital		6,326	6,140
股份溢價	Share premium		100,982,947	98,362,681
合併儲備	Merger reserve		(48,810,141)	(48,810,141)
以股份為基礎付款儲備	Share-based payment reserve		16,955,752	19,401,056
法定儲備	Statutory reserve		4,913,464	4,913,464
保留盈利	Retained earnings		37,866,410	36,548,676
資本儲備	Capital reserve		1,212,543	1,212,543
匯兑儲備	Exchange reserve		(1,108,347)	2,697,170
			112,018,954	114,331,589
少數股東權益	**Non-controlling interests**		240,480	–
總權益	**Total equity**		112,259,434	114,331,589
負債	**LIABILITIES**			
非流動負債	**Non-current liabilities**			
遞延收益	Deferred income		6,568,365	–
其他應付款項	Other payable		1,507,404	–
遞延所得税負債	Deferred income tax liabilities		692,730	–
			8,768,499	–
流動負債	**Current liabilities**			
貿易應付款項	Trade payables	11	4,089,422	7,552,913
應計費用及其他應付款項	Accruals and other payables		5,048,584	7,670,160
合約負債	Contract liabilities		740,720	–
遞延收益	Deferred income		4,669,282	969,746
應付所得税	Income tax payable		7,644	1,158,623
借貸	Borrowings		5,335,126	–
			19,890,778	17,351,442
總負債	**Total liabilities**		28,659,277	17,351,442
總權益及負債	**Total equity and liabilities**		140,918,711	131,683,031

綜合權益變動表
截至二零一八年十二月三十一日止年度

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

		本公司擁有人應佔 Attributable to owners of the Company								
		股本 Share capital 美元 USD	股份溢價 Share premium 美元 USD	合併儲備 Merger reserve 美元 USD	以股份為基礎付款儲備 Share-based payment reserve 美元 USD	法定儲備 Statutory reserve 美元 USD	資本儲備 Capital reserve 美元 USD	匯兑儲備 Exchange reserve 美元 USD	保留盈利 Retained earnings 美元 USD	總權益 Total equity 美元 USD
截至二零一七年十二月三十一日止年度	**For the year ended 31 December 2017**									
於二零一七年一月一日的結餘	Balance at 1 January 2017	6,037	97,421,918	(48,810,141)	20,483,902	4,099,819	1,212,543	(1,584,853)	26,263,453	99,092,678
全面收入	**Comprehensive income**									
年內溢利	Profit for the year	–	–	–	–	–	–	–	11,098,868	11,098,868
匯兑差額	Translation differences	–	–	–	–	–	–	4,282,023	–	4,282,023
年內全面收入總額	**Total comprehensive income for the year**	–	–	–	–	–	–	4,282,023	11,098,868	15,380,891
與擁有人的交易	**Transactions with owners**									
以股份為基礎的薪酬	Share-based compensation	–	–	–	14,272	–	–	–	–	14,272
提取至法定儲備	Appropriation to statutory reserves	–	–	–	–	813,645	–	–	(813,645)	–
根據僱員股份激勵計劃發行股份	Issuance of shares under employee share award scheme	20	302,563	–	–	–	–	–	–	302,583
行使購股權	Exercise of share options	83	1,219,046	–	(1,097,118)	–	–	–	–	122,011
二零一七年五月派付二零一六年相關股息	Dividend relating to 2016 paid in May 2017	–	(580,846)	–	–	–	–	–	–	(580,846)
與擁有人的交易，直接於權益確認	**Transactions with owners, recognised directly in equity**	103	940,763	–	(1,082,846)	813,645	–	–	(813,645)	(141,980)
於二零一七年十二月三十一日的結餘	**Balance at 31 December 2017**	6,140	98,362,681	(48,810,141)	19,401,056	4,913,464	1,212,543	2,697,170	36,548,676	114,331,589
即：	**Representing:**									
資本	Capital	6,140	–	–	–	–	–	–	–	6,140
儲備	Reserves	–	97,560,148	(48,810,141)	19,401,056	4,913,464	1,212,543	2,697,170	36,548,676	113,522,916
二零一七年建議末期股息	2017 final dividend proposed	–	802,533	–	–	–	–	–	–	802,533
		6,140	98,362,681	(48,810,141)	19,401,056	4,913,464	1,212,543	2,697,170	36,548,676	114,331,589

		本公司擁有人應佔 Attributable to owners of the Company										
		股本 Share capital 美元 USD	股份溢價 Share premium 美元 USD	合併儲備 Merger reserve 美元 USD	以股份為基礎付款儲備 Share-based payment reserve 美元 USD	法定儲備 Statutory reserve 美元 USD	資本儲備 Capital reserve 美元 USD	匯兌儲備 Exchange reserve 美元 USD	保留盈利 Retained earnings 美元 USD	總和 Total 美元 USD	少數股東權益 Non-controlling interests 美元 USD	總權益 Total equity 美元 USD
截至二零一八年十二月三十一日止年度	**For the year ended 31 December 2018**											
於二零一八年一月一日的結餘	Balance at 1 January 2018	6,140	98,362,681	(48,810,141)	19,401,056	4,913,464	1,212,543	2,697,170	36,548,676	114,331,589	—	114,331,589
全面虧損	**Comprehensive loss**											
年內溢利	Profit for the year	—	—	—	—	—	—	—	1,317,734	1,317,734	(2,210)	1,315,524
匯兌差額	Translation differences	—	—	—	—	—	—	(3,805,517)	—	(3,805,517)	(1,505)	(3,807,022)
年內全面虧損總額	**Total comprehensive loss for the year**	—	—	—	—	—	—	(3,805,517)	1,317,734	(2,487,783)	(3,715)	(2,491,498)
與擁有人的交易	**Transactions with owners**											
以股份為基礎的薪酬	Share-based compensation	—	—	—	187	—	—	—	—	187	—	187
行使購股權	Exercise of share options	186	3,422,799	—	(2,445,491)	—	—	—	—	977,494	—	977,494
收購附屬公司	Acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	244,195	244,195
二零一八年六月派付二零一七年相關股息	Dividend relating to 2017 paid in June 2018	—	(802,533)	—	—	—	—	—	—	(802,533)	—	(802,533)
與擁有人的交易，直接於權益確認	**Transactions with owners, recognised directly in equity**	186	2,620,266	—	(2,445,304)	—	—	—	—	175,148	244,195	419,343
於二零一八年十二月三十一日的結餘	**Balance at 31 December 2018**	6,326	100,982,947	(48,810,141)	16,955,752	4,913,464	1,212,543	(1,108,347)	37,866,410	112,018,954	240,480	112,259,434
即：	**Representing:**											
資本	Capital	6,326	—	—	—	—	—	—	—	6,326	—	6,326
儲備	Reserves	—	100,579,983	(48,810,141)	16,955,752	4,913,464	1,212,543	(1,108,347)	37,866,410	112,012,628	—	112,012,628
少數股東權益	Non-controlling interests	—	—	—	—	—	—	—	—	—	240,480	240,480
二零一八年建議末期股息	2018 final dividend proposed	—	402,964	—	—	—	—	—	—	—	—	—
		6,326	100,982,947	(48,810,141)	16,955,752	4,913,464	1,212,543	(1,108,347)	37,866,410	112,018,954	240,480	112,259,434

附註

1 一般資料

國微技術控股有限公司(「**本公司**」)及其附屬公司(統稱「**本集團**」)主要從事條件接收模塊(「**視密卡**」)及移動銷售終端(「**mPOS**」)機的開發及銷售，其可分別確保將數字內容分發及傳輸至電視及確保移動支付交易。本集團亦於年內從事區塊鏈芯片及服務器的供應。

年度，本公司收購一家於開曼群島註冊成立的獲豁免有限公司S2C Tech Inc.。S2C Tech Inc.，連同其附屬公司，主要從事快速驗證系統與軟件的研發及銷售。

本公司為於開曼群島註冊成立及存冊的有限公司。其於開曼群島的註冊辦事處為Maples Corporate Services Limited，地址為PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands，而其於中華人民共和國(「**中國**」)的註冊辦事處位於中國深圳市南山區科技園南區高新南一道國微大廈。

本公司於香港聯合交易所有限公司主板上市。

NOTES

1 GENERAL INFORMATION

SMIT Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") principally engage in the development and sales of conditional access modules ("**CAM**") and mobile point-of-sales ("**mPOS**") devices that enable secure distribution and delivery of digital content to television and secure mobile payment transactions respectively. The Group is also engaged in the supply of blockchain chipsets and servers during the year.

During the year, the Company acquired S2C Tech Inc., an exempted company incorporated in the Cayman Islands with limited liability. S2C Tech Inc., together with its subsidiaries, are principally engaged in the development and sales of rapid verification system and software.

The Company is a limited liability company incorporated and domiciled in the Cayman Islands. The address of its registered office in the Cayman Islands is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its registered office in the People's Republic of China ("**PRC**") is SSMEC Building, Gao Xin Nan First Avenue, High-Tech Park South, Nanshan District, Shenzhen, PRC.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

2 編製基準及會計政策的變動

2.1 編製基準

本集團的綜合財務報表乃根據香港財務報告準則(「**香港財務報告準則**」)及香港公司條例(第622章)的規定編製。綜合財務報表乃按歷史成本法編製，結合透過損益按公平值入賬的金融資產及應付或然代價(按公平值計量)修訂。

按照香港財務報告準則編製綜合財務報表需要使用若干重要會計估計，亦需要管理層在應用本集團會計政策的過程中作出判斷。

(a) 本集團採納的新訂及經修訂準則

本集團已於二零一八年一月一日起年度報告期間首次採用以下新訂及經修訂準則：

香港會計準則第40號(修訂本)	投資性房地產的轉讓
香港財務報告準則第2號(修訂本)	以股份為基礎的付款交易的分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具時一併應用香港財務報告準則第4號保險合約
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收益
香港財務報告準則第15號(修訂本)	香港財務報告準則第15號之澄清
香港(國際財務報告詮釋委員會)－詮釋第22號	外幣交易及墊付代價
年度改進項目(修訂本)	年度改進(二零一四年至二零一六年週期)

本集團因採納香港財務報告準則第9號及香港財務報告準則第15號而需要改動其會計政策，有關詳情於附註2.2披露。採納其他新訂及經修訂準則並無對本期間或任何過往期間產生任何重大影響。

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss and contingent consideration payable, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group' s accounting policies.

(a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for the first time for their annual reporting period commencing 1 January 2018:

HKAS 40 (Amendment)	Transfers of Investment Property
HKFRS 2 (Amendment)	Classification and Measurement of Share-Based Payment Transactions
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 15 (Amendment)	Clarifications to HKFRS 15
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements Project (Amendment)	Annual Improvements 2014 - 2016 Cycle

The Group had to change its accounting policies following the adoption of HKFRS 9 and HKFRS 15 which are disclosed in Note 2.2. The adoption of other new and amended standards did not have any material impact on the current period or any prior periods.

(b) 本集團尚未採納的新訂及經修訂準則及新詮釋

以下為已頒佈但尚未於二零一八年一月一日開始的財政年度生效的新訂及經修訂準則及新詮釋，本集團並未提前採納此等準則及詮釋：

(b) New and amended standards and new interpretation not yet adopted by the Group

The following new and amended standards and new interpretations have been issued but are not effective for the financial year beginning on 1 January 2018 and have not been early adopted by the Group.

		於下列日期或之後開始的會計年度生效 Effective for accounting year beginning on or after
香港會計準則第19號(修訂本)	計劃修訂、縮減或結清	二零一九年一月一日
HKAS 19 (Amendment)	Plan Amendment, Curtailment or Settlement	1 January 2019
香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益	二零一九年一月一日
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures	1 January 2019
香港財務報告準則第9號(修訂本)	具負補償的提早還款特性	二零一九年一月一日
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation	1 January 2019
香港財務報告準則第16號	租賃	二零一九年一月一日
HKFRS 16	Leases	1 January 2019
香港財務報告準則第17號	保險合約	二零二一年一月一日
HKFRS 17	Insurance Contracts	1 January 2021
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者及其聯營公司或合營企業之間資產出售或注資	待定
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
香港(國際財務報告詮釋委員會)－詮釋第23號	不確定所得税的處理	二零一九年一月一日
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments	1 January 2019
年度改進項目(修訂本)	年度改進(二零一五年至二零一七年週期)	二零一九年一月一日
Annual Improvements Project (Amendment)	Annual Improvements 2015 - 2017 Cycle	1 January 2019
二零一八年財務報告概念框架	經修訂財務報告概念框架	二零二零年一月一日
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020

該等新訂及經修訂準則生效後，本集團將採納該等新訂及經修訂準則及新詮釋。本集團已評估採納上述新訂及經修訂準則及新詮釋產生的有關影響，除下文載列者外，預期概不會對本集團的綜合財務報表造成重大影響：

The Group will adopt the new and amended standards and new interpretations when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new and amended standards and new interpretation, none of which is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

香港財務報告準則第16號「租賃」

變動的性質

香港財務報告準則第16號於二零一六年一月頒佈，其將導致幾乎所有租賃於綜合財務狀況表內按承租人劃分確認，此乃由於經營與融資租賃的劃分已被刪除。根據新準則，資產（該租賃項目的使用權）與支付租金的金融負債被確認。豁免僅適用於短期及低價值租賃。

影響

此準則將主要影響本集團經營租賃之會計處理。於報告日期，本集團有不可撤銷的經營租賃承擔2,587,721美元。然而，本集團仍未釐定該等承擔將導致資產及負債就未來付款確認的程度以及將如何影響本集團的溢利及現金流量分類。

短期及低價值租賃的豁免可能會涵蓋部分承擔，而某些承擔則可能與香港財務報告準則第16號中不符合租賃的安排有關。

同時，本集團尚未評估是否需要就（例如）租期界定的變動及對可變動租賃款項及延長及終止選項的不同處理方法而作出其他調整（如有）。因此，仍不能估計在採納新準則時將予確認的使用權資產及租賃負債的金額，以及期後如何影響本集團的損益及現金流量的分類。

HKFRS 16 “Leases”

Nature of change

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the consolidated statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Impact

The standard will affect primarily the accounting for the Group’ s operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of USD2,587,721. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

Also, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group’ s profit or loss and classification of cash flows going forward.

本集團採納之日期

本集團將自該準則強制採納日期二零一九年一月一日起應用該準則。本集團擬應用簡單過渡方式，且將不會重列首次採納之前年度的比較數字。物業租賃使用權資產將於過渡時計量，猶如已一直應用新規則。所有其他使用權資產將於採用時按租賃負債的金額計量（經任何預付或應付租賃開支調整）。

概無其他尚未生效的準則預期會對本集團現時或未來之報告期，以及可預見未來之交易產生重大影響。

Date of adoption by the Group

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 會計政策的變動

本附註解釋採納香港財務報告準則第9號及香港財務報告準則第15號對本集團綜合財務報表的影響。

(a) 香港財務報告準則第9號「金融工具」

香港財務報告準則第9號取代香港會計準則第39號有關金融資產及金融負債的確認、分類及計量、終止確認金融工具、金融資產減值及對沖會計的條文。

於二零一八年一月一日起採納香港財務報告準則第9號「金融工具」引致會計政策變動。

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 and HKFRS 15 on the Group's consolidated financial statements.

(a) HKFRS 9 "Financial Instruments"

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 "Financial Instruments" from 1 January 2018 resulted in changes in accounting policies.

(i) *分類及計量*

於二零一八年一月一日(初步應用香港財務報告準則第9號之日),本集團管理層評估應就本集團所持有的金融資產採用何種業務模式,並已將其金融工具分類至香港財務報告準則第9號項下適當的類別。此分類所產生之主要影響如下:

(i) *Classification and measurement*

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The main effects resulting from this reclassification are as follows:

	根據香港會計準則第39號計量類別 Measurement Category under HKAS 39	根據香港財務報告準則第9號計量類別 Measurement Category under HKFRS 9
金融資產 **Financial assets**		
貿易應收款項 Trade receivables	攤銷成本 Amortised cost	攤銷成本 Amortised cost
票據及其他應收款項 Notes and other receivables	攤銷成本 Amortised cost	攤銷成本 Amortised cost
短期銀行存款 Short-term bank deposits	攤銷成本 Amortised cost	攤銷成本 Amortised cost
現金及現金等價物 Cash and cash equivalents	攤銷成本 Amortised cost	攤銷成本 Amortised cost
透過損益按公平值入賬的金融資產 Financial assets at fair value through profit or loss	透過損益按公平值入賬 Fair value through profit or loss	透過損益按公平值入賬 Fair value through profit or loss
金融負債 **Financial liabilities**		
貿易應付款項 Trade payables	攤銷成本 Amortised cost	攤銷成本 Amortised cost
應計費用及其他應付款項 Accruals and other payables	攤銷成本 Amortised cost	攤銷成本 Amortised cost

(ii) *金融資產減值*

本集團的重大金融資產受新的預期信用損失模型所規限，包括貿易應收款項以及票據及其他應收款項。

儘管現金及現金等價物亦須遵守香港財務報告準則第9號的減值要求，但已確認的減值損失並不重大。

就票據及其他應收款項而言，管理層認為其信用風險自初步確認後並未因參考對方歷史違約率及當前財務狀況而大幅增加。按12個月預期信用損失釐定的減值撥備接近零。

就貿易應收款項而言，本集團應用香港財務報告準則第9號所訂明的簡化方法就預期信用損失作出撥備，該規定允許對所有貿易應收款項採用全期的預期損失。為計量預期信用損失，貿易應收款項已根據攤佔信貸風險特點及過期天數分類。於二零一八年一月一日，採用香港財務報告準則第9號規定的簡化預計損失方法並未導致貿易應收款項產生任何額外減值損失。

當不存在可收回的合理預期時，本集團會核銷貿易應收款項。不存在可收回的合理預期的指標包括(其中包括)債務人無法與本集團達成還款計劃，以及無法就逾期超過360日之賬款作出合約付款。

(ii) *Impairment of financial assets*

The Group's significant financial assets which are subject to the new expected credit loss model include trade receivables and notes and other receivables.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

For notes and other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

For trade receivables, the Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The adoption of the simplified expected loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade receivables as at 1 January 2018.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greter thatn 360 days past due.

(b) 香港財務報告準則第15號「與客戶之間的合同產生的收入」

自二零一八年一月一日起，本集團已採納香港財務報告準則第15號「與客戶之間的合同產生的收入」，導致會計政策變更。根據香港財務報告準則第15號的過渡性條文，比較數字尚未重列。

(i) 採納香港財務報告準則第15號對本集團之綜合財務狀況之影響如下：

採納香港財務報告準則第15號的影響與合約負債的列報有關。於二零一八年一月一日進行重新分類，以與香港財務報告準則第15號所用術語一致：

- 預先從客戶收到的合約負債之前列報為應計費用及其他應付款項。

總括而言，於二零一八年一月一日首次應用當日對綜合財務狀況表所確認的金額作出以下調整：

(b) HKFRS 15 "Revenue from Contracts with Customer"

The Group has adopted HKFRS 15 "Revenue from Contracts with Customers" from 1 January 2018 which resulted in changes in accounting policies. In accordance with the transitional provisions in HKFRS 15, comparative figures have not been restated.

(i) The impact on the Group' s consolidated financial position by the application of HKFRS 15 is as follows:

The effects of the adoption of HKFRS 15 are related to presentation of contract liabilities. Reclassifications were made as at 1 January 2018 to be consistent with the terminology used under HKFRS 15:

- Contract liabilities for receipt in advance from customers were previously presented as accruals and other payables.

In summary, the following adjustments were made to the amounts recognised in the consolidated statement of financial position at the date of initial application on 1 January 2018:

		香港會計準則第18號賬面值 HKAS 18 carrying amount 於二零一七年十二月三十一日 as at 31 December 2017 *美元* *USD*	重新分類 Reclassification *美元* *USD*	香港財務報告準則第15號賬面值 HKFRS 15 carrying amount 於二零一八年一月一日 as at 1 January 2018 *美元* *USD*
綜合財務狀況表（摘錄）	**Consolidated statement of financial position (extract)**			
應計費用及其他應付款項	Accruals and other payables	7,670,160	(763,981)	6,906,179
合約負債	Contract liabilities	–	763,981	763,981

(ii) 已確認有關合約負債的收益

本集團於若干客戶履行合約前向彼等收取款項。下表顯示於本報告期間已確認與承前合約負債有關的收益金額。

(ii) Revenue recognised in relation to contract liabilities

The Group receives payments from certain customers in advance of the performance under the contracts. The following table shows how much of the revenue recognised in the current reporting periods relates to carried-forward contract liabilities.

		截至二零一八年十二月三十一日止年度 **Year ended 31 December 2018** *美元* *USD*
年初計入於合約負債結餘的已確認收益	Revenue recognised that was included in the contract liabilities balance at the beginning of the year	285,438

3 分部資料

管理層根據主要營運決策人審閱的用於作出策略決策的資料釐定經營分部。主要營運決策人(「**主要營運決策人**」)已被確定為本公司執行董事。

截至二零一八年十二月三十一日止年度，主要營運決策人審閱可報告分部的業績以評估本集團的表現。可報告分部(視密卡、mPOS、區塊鏈服務器及快速驗證系統與軟件)與往年的分部分類有別，乃為使分部審閱與重組後的內部管理及報告架構統一。可資比較期間的分部資料的報告架構已予重列，以與本期間的分類一致。

視密卡及mPOS－安全產品(視密卡及mPOS機)的開發及銷售，分別可確保安全地將數字內容分發及傳輸至電視及安全的移動支付交易。

區塊鏈服務器－區塊鏈集成芯片及服務器的開發及銷售。

快速驗證系統與軟件－基於硬件的快速驗證系統與軟件的研發及銷售。

主要營運決策人定期檢討本集團的表現及審閱本集團的內部報告，以評估表現及分配資源。主要營運決策人根據分部業績的計量評估經營分部的表現。該計量基準包括經營分部的毛利。向主要營運決策人提供的其他資料的計量方式與該等年度綜合財務報表一致。

3 SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker that are used to making strategic decisions. The chief operating decision-maker ("**CODM**") is identified as the Executive Directors of the Company.

During the year ended 31 December 2018, the CODM assessed the performance of the Group by reviewing the results of three reportable segments: CAM and mPOS, blockchain servers and rapid verification system and software, which is different from the segment categorisation in the prior year in order to align the segment review with the restructured internal management and reporting structure. The segment information of comparative period has been restated to conform to the current period categorisation.

CAM and mPOS – development and sales of security products (CAM and mPOS devices) that enable secure distribution and delivery of digital content to television and secure mobile payment transactions respectively.

Blockchain servers – development and sales of integrated blockchain chipsets and servers.

Rapid verification system and software – development and sales of rapid hardware-based verification systems and softwares.

The CODM reviews the performance of the Group on a regular basis and reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the operating segments based on a measure of segment results. This measurement basis includes gross profit of the operating segments. Other information provided to the CODM is measured in a manner consistent with that in these annual consolidated financial statements.

		視密卡及 mPOS CAM and mPOS 美元 USD	區塊鏈 服務器 Blockchain servers 美元 USD	快速驗證系統與軟件 Rapid verification system and software 美元 USD	總額 Total 美元 USD
截至二零一八年十二月三十日止年度	**For the year ended 31 December 2018**				
分部收益	Segment revenue				
外部收益	External revenue	30,877,174	9,648,836	792,568	41,318,578
分部業績	Segment results	10,966,230	2,387,737	322,804	13,676,771
截至二零一七年十二月三十日止年度（經重列）	**For the year ended 31 December 2017 (as restated)**				
分部收益	Segment revenue				
外部收益	External revenue	52,787,425	38,993,498	—	91,780,923
分部業績	Segment results	19,860,438	12,642,959	—	32,503,397

		視密卡及 mPOS CAM and mPOS 美元 USD	區塊鏈 服務器 Blockchain servers 美元 USD	快速驗證系統與軟件 Rapid verification system and software 美元 USD	總額 Total 美元 USD
於二零一八年十二月三十一日	**At 31 December 2018**				
分部資產	Segment assets	31,656,762	1,990,991	23,632,678	57,280,431
於二零一七年十二月三十一日（經重列）	**At 31 December 2017 (as restated)**				
分部資產	Segment assets	25,302,514	9,874,663	—	35,177,177

分部資產主要包括商譽、其他無形資產、存貨、貿易及其他應收款項及預付款項，但不包括遞延所得稅資產、物業、廠房及設備、應收所得稅退稅，現金及現金等價物、受限銀行存款，短期銀行存款、透過損益按公平值入賬的金融資產以及公司及未分配資產。

Segment assets consist primarily of goodwill, other intangible assets, inventories, trade and other receivables and prepayments but exclude deferred income tax assets, property, plant and equipment, income tax recoverable, cash and cash equivalents, restricted bank deposits, short-term bank deposits, financial assets at fair value through profit or loss and corporate and unallocated assets.

可報告分部業績與除所得稅前(虧損)／溢利以及可報告分部資產與總資產的對賬如下：

A reconciliation of reportable segment results to (loss)/profit before income tax and reportable segment assets to total assets is provided as follows:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一八年 2018	二零一七年 2017
		美元 USD	*美元 USD*
報告分部業績	**Reporting segment results**	13,676,771	32,503,397
其他收入	Other income	1,013,346	1,045,476
其他收益／(虧損)淨額	Other gains/(losses), net	3,967,391	(1,982,646)
融資收入淨額	Finance income, net	1,149,740	461,282
公司及未分配開支	Corporate and unallocated expenses	(20,085,031)	(17,996,282)
除所得稅前(虧損)／溢利	**(Loss)/profit before income tax**	(277,783)	14,031,227

可報告分部資產與總資產按以下方式對賬：

Reportable segments assets are reconciled to total assets as follows:

		於十二月三十一日 As at 31 December	
		二零一八年 2018	二零一七年 2017 (經重列) (as restated)
		美元 USD	*美元 USD*
可報告分部資產	**Reportable segment assets**	57,280,431	35,177,177
遞延所得稅資產	Deferred income tax assets	2,770,689	1,022,564
物業、廠房及設備	Property, plant and equipment	1,735,894	2,006,053
透過損益按公平值入賬的金融資產	Financial assets at fair value through profit or loss	18,246,807	3,808,986
可收回所得稅	Income tax recoverable	138,006	—
現金及現金等價物	Cash and cash equivalents	54,962,324	84,100,969
受限制之銀行存款	Restricted bank deposits	5,000,000	—
短期銀行存款	Short-term bank deposits	—	3,523,375
公司及未分配資產	Corporate and unallocated assets	784,560	2,043,907
綜合財務狀況表的總資產	**Total assets per consolidated statement of financial position**	140,918,711	131,683,031

4 收益、其他收入及其他收益╱(虧損)淨額

4 REVENUE, OTHER INCOME AND OTHER GAINS/(LOSSES), NET

		截至十二月三十一日止年度 Year ended 31 December	
		二零一八年 **2018** *美元 USD*	二零一七年 **2017** *美元 USD*
收益	Revenue		
－視密卡	- CAM	23,078,007	36,814,388
－mPOS機	- mPOS devices	7,799,167	15,973,037
－區塊鏈服務器	- Blockchain servers	9,648,836	38,993,498
－快速驗證系統與軟件	- Rapid verification system and software	792,568	—
確認收入時間	Timing of revenue recognition		
在某一時點確認	At a point in time	41,318,578	91,780,923
產品銷售總額	**Total sales of goods**	41,318,578	91,780,923
其他收益╱(虧損)淨額	**Other gains/(losses), net**		
－匯兑收益╱(虧損)淨額	- Exchange gains/(losses), net	1,145,868	(2,251,596)
－透過損益按公平值入賬的金融資產的公平值收益	- Fair value gains on financial assets at fair value through profit or loss	2,821,523	268,950
		3,967,391	(1,982,646)
其他收入	**Other income**		
－政府補助	- Government grants	862,539	1,030,008
－其他	- Others	150,807	15,468
		1,013,346	1,045,476

5 按性質劃分的開支

計入開支的「銷售成本」、「研發開支」、「銷售及分銷開支」以及「一般及行政開支」分析如下：

5 EXPENSES BY NATURE

Expenses included "cost of sales","research and development expenses", "selling and distribution expenses" and "general and administrative expenses" are analysed as follows:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一八年 **2018** *美元 USD*	二零一七年 **2017** *美元 USD*
核數師酬金	Auditors' remuneration		
－核數服務	- Audit services	456,643	390,188
－非核數服務	- Non-audit services	697,098	200,393
出售物業、廠房及設備虧損	Loss on disposals of property, plant and equipment	34,295	28,644
廣告成本	Advertising costs	527,330	810,464
售出存貨成本	Cost of inventories sold	25,576,930	54,528,750
僱員福利開支（包括董事酬金）	Employee benefit expenses (including directors' emoluments)	11,590,023	10,113,954
特許權使用費	Royalty expenses	1,120,648	2,707,808
貨運費	Freight charges	94,223	185,539
其他税項	Other taxes	313,014	615,996
存貨減值（撥備撥回）／撥備	(Reversal of provision for)/provision for impairment of inventories	(320,473)	427,234
物業、廠房及設備折舊	Depreciation of property, plant and equipment	685,213	676,040
其他無形資產攤銷	Amortisation of other intangible assets	186,704	167,733
法律及專業費用	Legal and professional fees	834,354	1,434,872
顧問費	Consulting fee	—	6,393
貿易應收款項減值撥備	Provision for impairment of trade receivables	759,318	2,039
經營租賃付款	Operating lease payments	1,296,199	1,105,849
差旅及招待開支	Travelling and entertainment expenses	1,364,904	1,418,415
辦公室用品及公用設施	Office supplies and utilities	768,156	753,833
其他	Others	1,742,259	1,699,664
銷售成本、研發開支、銷售及分銷開支及一般及行政開支總額	Total cost of sales, research and development expenses, selling and distribution expenses and general and administrative expenses	47,726,838	77,273,808

6 融資收入，淨額

6 FINANCE INCOME, NET

		截至十二月三十一日止年度 Year ended 31 December	
		二零一八年 **2018** *美元* *USD*	二零一七年 **2017** *美元* *USD*
融資收入	**Finance income**		
短期銀行存款的利息收入	Interest income on short-term bank deposits	1,079,527	437,841
非流動貿易應收款項利息增加	Interest accretion on non-current trade receivables	32,534	23,441
其他	Others	49,487	—
融資收入	Finance income	1,161,548	461,282
融資成本	**Finance cost**		
銀行借款的利息開支	Interest expense on bank borrowings	(11,808)	—
融資收入，淨額	Finance income, net	1,149,740	461,282

7 所得稅（抵免）／開支

國微集團（深圳）有限公司（「**SMiT深圳**」）與S2C Shanghai Co., Ltd.（「**S2C Shanghai**」）分別為本集團在深圳經濟特區和上海成立的中國附屬公司。由於SMiT深圳與S2C Shanghai已獲中國相關主管稅務機關認可為新企業所得稅法下界定的高新技術企業，彼等有權於二零一七年至二零一九年三年期間內享有15%的調減企業所得稅（「**企業所得稅**」）優惠稅率（「**高新技術企業優惠稅率**」）。截至二零一八年十二月三十一日止年度已就該等附屬公司的應課稅溢利採用的企業所得稅稅率為15%（二零一七年：15%）。

截至二零一八年十二月三十一日止年度，已根據年內估計應課稅溢利按16.5%（二零一七年：16.5%）的稅率計提香港利得稅撥備。境外溢利的稅項乃依照本集團經營所在國家的現有立法、詮釋及相關慣例，根據年內估計應課稅溢利，按有關國家通行的適用稅率計算所得。

7 INCOME TAX (CREDIT)/EXPENSE

Shenzhen State Micro Technology Co., Ltd. ("**SMiT Shenzhen**") and S2C Shanghai Co., Ltd. ("**S2C Shanghai**") are the PRC subsidiaries of the Group established in the Shenzhen Special Economic Zone and Shanghai, respectively. As a result of the approval obtained from the respective in-charge tax authorities in the PRC as High/New Technology Enterprises as defined under the New Enterprise Income Tax Law, both SMiT Shenzhen and S2C Shanghai are entitled to a reduced preferential enterprise income tax ("**EIT**")rate at 15% ("**HNTE Preferential Tax Rate**") for a 3-year period from 2017 to 2019. An EIT tax rate at 15% (2017: 15%) was applied to the assessable profit of these subsidiaries for the year ended 31 December 2018.

For the year ended 31 December 2018, Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

		截至十二月三十一日止年度 Year ended 31 December	
		二零一八年 2018 *美元 USD*	**二零一七年 2017** *美元 USD*
即期所得稅	Current income tax		
－中國企業所得稅	- PRC corporate income tax	–	933,612
－海外稅項	- Overseas tax	27,698	235,453
－香港利得稅	- Hong Kong profits tax	–	220,297
遞延所得稅	Deferred income tax		
－本年度	- Current year	(1,069,528)	1,287,442
過往年度（超額撥備）／撥備不足	(Over)/under-provision in prior years		
－即期所得稅	- Current income tax	(551,477)	303,282
－遞延所得稅	- Deferred income tax	–	(47,727)
所得稅（抵免）／開支	**Income tax (credit)/expense**	(1,593,307)	2,932,359

8 每股盈利

每股基本盈利按本公司擁有人應佔本集團溢利除以普通股的加權平均數計算：

8 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit of the Group attributable to owners of the Company by the weighted average number of ordinary shares:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一八年 2018	二零一七年 2017
本公司擁有人應佔溢利(美元)	Profit attributable to owners of the Company (USD)	1,317,734	11,098,868
已發行普通股的加權平均數	Weighted average number of ordinary shares in issue	309,751,596	303,420,114
每股基本盈利(美元)	Basic earnings per share (USD)	0.004	0.037

每股攤薄盈利通過調整發行在外的普通股加權平均數，以假設所有可能具有攤薄效應的普通股已經轉換而計算。就購股權而言，假設購股權獲行使時應已發行的股份數目扣除可按公平值(按相關年度每股平均市價釐定)發行的股份數目，所得相同的所得款項總額為無償發行的股份數目。因而產生的無償發行股份數目計入普通股加權平均數作為分母，以計算每股攤薄盈利。

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the respective year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

		截至十二月三十一日止年度 Year ended 31 December	
		二零一八年 2018	二零一七年 2017
本公司擁有人應佔溢利(美元)	Profit attributable to owners of the Company (USD)	1,317,734	11,098,868
已發行普通股的加權平均數	Weighted average number of ordinary shares in issue	309,751,596	303,420,114
購股權調整	Adjustments for share options	8,896,373	11,872,746
每股攤薄盈利的經調整普通股加權平均數	Adjusted weighted average number of ordinary shares for diluted earnings per share	318,647,969	315,292,860
每股攤薄盈利(美元)	Diluted earnings per share (USD)	0.004	0.035

9 股息

9 DIVIDEND

	截至十二月三十一日止年度 Year ended 31 December	
	二零一八年 2018	二零一七年 2017
擬派末期股息每股0.01港元(相等於約0.001美元)(二零一七年:0.02港元(相等於約0.003美元)) Proposed final dividend of HK$0.01 (equivalent to approximately USD0.001) (2017: HK$0.02 (equivalent to approximately USD0.003)) per share	402,964	802,533

截至二零一七年十二月三十一日止年度的末期股息為802,533美元(每股0.02港元(相等於約0.003美元)),已於二零一八年支付(二零一七年:580,846美元(每股0.015港元(相等於約0.002美元)))。截至二零一八年十二月三十一日止年度的末期股息為每股0.01港元(相等於約0.001美元),股息總額為402,964美元,將於本公司即將召開的股東週年大會提呈。此建議末期股息並未有於二零一八年十二月三十一日的綜合財務報表中反映為應付股息。

The final dividend for the year ended 31 December 2017 amounted to USD802,533 (HK$0.02 (equivalent to approximately USD0.003) per share) (2017: USD580,846 (HK$0.015 (equivalent to approximately USD0.002) per share)) was paid in 2018. A final dividend in respect of the year ended 31 December 2018 of HK$0.01 (equivalent to approximately USD0.001) per share, amounting to a total dividend of USD402,964, will be proposed at the upcoming annual general meeting of the Company. This proposed final dividend is not reflected as a dividend payable in the consolidated financial statements as at 31 December 2018.

10 貿易及其他應收款項及預付款項

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

		於十二月三十一日 As at 31 December	
		二零一八年 **2018** *美元 USD*	二零一七年 **2017** *美元 USD*
第三方貿易應收款項	Trade receivables from third parties	8,609,948	11,840,686
關聯方貿易應收款項	Trade receivables from a related party	4,885,596	133,476
減：貿易應收款項減值撥備	Less: Provision for impairment of trade receivables	(1,981,441)	(1,286,088)
貿易應收款項-淨額	Trade receivables – net	11,514,103	10,688,074
預付款項	Prepayments	8,371,901	1,350,472
應收票據	Notes receivable	66,190	1,633,905
第三方按金及其他應收款項	Deposits and other receivables from third parties	898,156	164,378
關聯方其他應收款	Other receivables from a related party	27,755	—
		9,364,002	3,148,755
減:非即期部分	Less: Non-current portion	(41,750)	(545,554)
		20,836,355	13,291,275

於二零一八年十二月三十一日，按發票日計的貿易應收款項的賬齡分析如下：

As at 31 December 2018, the ageing analysis of the trade receivables based on invoice date is as follows:

		於十二月三十一日 As at 31 December	
		二零一八年 **2018** *美元 USD*	二零一七年 **2017** *美元 USD*
30天以內	Within 30 days	2,950,429	7,132,202
31至60天	31 to 60 days	563,046	2,185,283
61至90天	61 to 90 days	2,600,183	356,603
91至180天	91 to 180 days	154,937	170,461
181至365天	181 to 365 days	5,465,007	874,664
365天以上	Over 365 days	1,761,942	1,254,949
		13,495,544	11,974,162

11 貿易應付款項

貿易應付款項賬齡如下：

11 TRADE PAYABLES

Trade payables are aged as follows:

		於十二月三十一日 As at 31 December 二零一八年 **2018**	二零一七年 **2017**
30天以內	Within 30 days	2,000,216	4,868,765
31至90天	31 to 90 days	1,205,815	2,629,631
91至180天	91 to 180 days	517,492	261
181至365天	181 to 365 days	324,153	6,997
365天以上	Over 365 days	41,746	47,259
		4,089,422	7,552,913

業務回顧

本集團一直致力研發以集成電路為基礎的安全領域行業相關技術，並正積極向集成電路設計領域策略性邁進。

本集團是全球付費電視廣播接收及中國移動銷售終端支付系統的領先安全裝置供應商，通過銷售可讓終端用戶接收付費電視內容的條件接收模塊(或視密卡)產品，為全世界付費電視行業設計、開發及營銷安全裝置。本集團亦為中國移動支付行業開發及營銷移動銷售終端機，讓用者可靈活地利用其智能電話或平板電腦，毋須在傳統的固定POS終端進行信用卡或借記卡交易。

另外，本集團藉由新收購的一家基於硬件的快速驗證系統和軟件提供商S2C的快速FPGA原型驗證技術來增進其核心技術以及優化相關產品。S2C的產品可迅速地構建複雜系統模型，運用在產品建立前之軟件開發及廣泛的測試，為本集團參與全球以硬件為基礎的快速驗證行業提供了戰略平台。

BUSINESS REVIEW

The Group is committed to developing technologies in the security-related industries on the basis of the integrated circuit and is strategically expanding its business in the IC design sector.

The Group is a leading security devices provider globally for pay-TV broadcasting access and for mobile point-of-sales, or mPOS, payment systems in China. It designs, develops and sells security devices primarily for the pay-TV industry worldwide through sales of conditional access modules, or CAM, products which provide end users with access to pay-TV content. The Group also develops and markets mPOS systems for the mobile payment industry in China, which give consumers flexibility to conduct credit and debit card transactions anywhere using their smartphones or tablets rather than a traditional stationary POS terminal.

In addition, the Group has improved its core technologies and optimized related products with the help of rapid FPGA prototyping technology obtained through the recent acquisition of S2C, a hardware-based rapid verification system and software provider. S2C's products can quickly construct a complex system model, to be used in software development and an array of tests prior to the creation of products, so it can provide a strategic platform that facilitates the Group's penetration into the global hardware-based verification industry.

視密卡(CAM)

歐洲CAM行業競爭日趨激烈造成價格波動，截至二零一八年十二月三十一日止年度，本集團視密卡銷售收益約為23.1百萬美元，按年減少約37.3%，佔本集團總收入約55.9%。歐洲市場(除去俄羅斯)仍為本集團CAM銷售的最大市場，佔其CAM總銷售額約64%，按年下跌約48%。俄羅斯及其他新興市場佔其CAM總銷售額約31%，按年上升約14%。中國內地市場佔其CAM總銷售額約5%，按年下跌約44%。

本集團一直緊跟行業標準規範的發展步伐不斷提升產品競爭力。為加強銷售投入，本集團現已針對模擬信號關閉(ASO)的最後階段，對廣播運營商的用戶切換市場進行挖掘，讓其可結合HbbTV以及CI+ 1.3 OP等新的技術規範，為已有的客戶持續提供產品，並致力把產品銷售到歐洲的衛星電視廣播運營商客戶。近期，作為一個重要的里程碑，本集團CAM產品通過CI Plus ECP官方認證，滿足運營商對於高價值廣播電視付費節目的安全保護需求。作為目前率先通過該認證測試及註冊的CAM產品，本集團正積極與行業內的CAS供應商、運營商、IDTV廠商密切合作，推動CI Plus產品和技術的發展。

CAM

Product prices have remained volatile due to intensifying competition in the European CAM industry. For the year ended 31 December 2018, the Group recorded sales revenue of approximately US$23.1million from CAM, around 37.3% less than last year, and accounted for around 55.9% of the Group's total revenue. The European market (excluding Russia) remained the largest market for the Group's CAM business, and made up around 64% of total CAM sales, which was approximately 48% less than the previous year. The share of revenue from Russia and other emerging markets, accounted for approximately 31% of its total CAM sales, reported a year-on-year increase of around 14%. The Mainland China market contributed approximately 5% of its total CAM sales, representing a decrease of around 44% year-on-year.

The Group has been enhancing the competitiveness of its products to keep abreast with the latest industry standards. To boost product sales, the Group has targeted its product development at the last stage of analog switch-off (ASO) and has explored the user replacement market of broadcast operators. By combining new technologies such as HbbTV and CI+ 1.3 OP, the Group can continue to provide more powerful solutions for existing customers. The Group has also strived to sell products to satellite TV operators in Europe. Recently, as an important milestone, the Group's CAM products obtained official CI Plus ECP certification, thus meeting the security demand of operators of high-value pay-TV programs. As the first CI Plus ECP-certified and registered CAM product, the Group is leveraging first-mover advantage and working closely with CAS suppliers, operators and IDTV producers in the industry to facilitate the development of CI Plus products and technologies.

除歐洲市場外，本集團年內積極開拓包括巴爾幹、印度等的新興市場，新客戶合計佔CAM總銷售額約10%的銷量，成績顯著。本集團更與非洲領先的數字電視運營商StarTimes合作，於非洲市場發佈和推廣具有運營商配置功能的CI + 1.3條件接收模塊。通過使用CI Plus運營商配置功能，終端使用者能夠輕鬆體驗為StarTimes定制的個性化頻道清單，在提高效率的同時，為1600多萬用戶帶來了更大的便利。是次合作集兩家所長，實為強強聯手，為雙方業務帶來協同效應之餘，亦為國微技術拓展非洲市場的計劃邁進一大步。

In addition to Europe, the Group has been actively developing emerging markets including the Balkans and India in the year. The results to date have been outstanding with new customers contributing approximately 10% of total CAM sales. The Group has also collaborated with StarTimes, a leading digital TV operator in Africa, to distribute and promote CI +1.3 CAM with an operator profile function in the African market. Using the CI Plus operator profile function enables over 16 million end-users to conveniently enjoy a personalized channel list customized for StarTimes, which is more efficient and user-friendly. The partnership creates synergies from the strengths of both parties and represents a giant leap forward in SMIT's development plans in the African market.

移動銷售終端機(mPOS)

現時因金融去槓桿政策影響第三方支付公司資金面，加上mPOS交易費及收費率低，已導致支付公司持續過度競爭，mPOS市場出現一定程度的飽和，擠壓業界的利潤空間。因此截至二零一八年十二月三十一日止年度，本集團mPOS銷售收益約為7.8百萬美元，按年減少約51.2%，佔總收入約18.9%。

mPOS

Currently, the de-leveraging policy has affected the liquidity of third-party payment companies, which, coupled with the low mPOS transaction fees and charges, has resulted in payment companies continuing to suffer from excessive competition. The mPOS market has become increasingly saturated, and the margins have been squeezed within the industry. As a result, for the year ended 31 December 2018, sales revenues from mPOS have decreased by approximately 51.2% year-on-year to approximately US$7.8 million, accounting for around 18.9 % of the Group's total revenue.

本集團就mPOS機不斷進行產品開發及技術提升，其中本集團最新研發的移動支付終端mPOS-SM32便通過了PCI 5.x認證。該認證是目前全球支付卡行業最嚴格、級別最高的安全標準認證。該產品採用了獨立的安全MCU支援多種加密演算法，擁有獨特的高級別防護機制，同時具備防侵入檢測和拆機自毀功能。通過以上認證，證明產品在功能性和安全性方面達到了客戶對支付終端的嚴謹要求。

The Group has been strengthening technological development and product functionality of its mPOS devices, of which the newly developed mobile payment terminal, mPOS-SM32, has obtained PCI 5.x certification, the most stringent and top-level security standard certification in the payment card industry worldwide. The product uses an independent and secure microcontroller unit (MCU) to support multiple encryption algorithms. It features a unique advanced protection mechanism in addition to anti-intrusion detection and a self-destruct input (SDI) pin. Attaining the above certification is a testament to the product's functionality and security which meets the strict requirements by customers on payment terminals.

另外，本集團正在研發新一代的移動支付產品，包括基於移動與固定兩種應用場景的29系列產品與25系列產品。其中29系列產品正在銀聯認證中，以滿足商戶收單時的商業需要，例如掃碼快捷支付，商戶可以隨時隨地收款，滿足中小商戶的收款需求。

Moreover, a new generation of mobile payment solutions is currently under development, including series 29 and series 25 products which are used in mobile and fixed line applications setting. The series 29 product is currently undergoing certification by UnionPay, in order to address the business needs of merchants during transactions. For instance, through a scan pay function, payments can be received anytime and anywhere, which meets the fund collection demands of small and mid-sized merchants.

本集團在新客戶開拓中取得一定進展，近期與一批第三方支付公司達成框架合作協議；更取得韓國支付軟件系統集成商小批量海外訂單，為本集團終端產品進軍國際市場過程中取得的重大進展。

The Group has achieved progress in developing new customers, recently entering into framework cooperation agreements with several third party payment companies. It has also secured a small volume overseas order from a Korean payment software integrated circuit (IC) company for terminal products, marking a significant step forward in penetrating the international market.

快速驗證系統與軟件 – S2C

在重大策略性進展中，本集團收購一家以硬件為基礎的快速驗證系統及軟件公司 – S2C，以進一步實現業務及收入來源多元化。截至二零一八年十二月三十一日止年度，S2C為本集團貢獻銷售收益約為0.8百萬美元，佔總收入約1.9%。

S2C主要提供快速驗證系統與軟件，其中SoC原型驗證解決方案包含1)基於硬件的驗證系統及自動化軟件；2)原型驗證就緒的IP(Prototype Ready™ IP)介面和平台；3)系統級設計驗證和加速工具。由於S2C專注研發的SoC/ASIC有助於縮短SoC設計週期，目前有超過400家客戶以及2,000多套系統應用於客戶設計中，在中國、日本、韓國及台灣均有強勁的表現。S2C的產品已經廣泛應用於消費類電子產品、通信、計算、影像處理、資料存儲、科研、教育、汽車、醫療、設計服務以及矽晶片IP研發等領域。

Rapid verification system and software - S2C

In a major strategic advance, the Group has acquired S2C, a hardware-based rapid verification system and software company, thereby further diversifying its business and revenue streams. For the year ended 31 December 2018, S2C contributed sales revenue of approximately US$0.8 million, accounting for approximately 1.9 % of total revenue.

S2C principally provides rapid verification system and software. The SoC prototype provided by S2C includes 1) a hardware-based verification system and automation software; 2) Prototype Ready™ intellectual property (IP), interfaces and platforms; 3) system-level design verification and acceleration tools. The SoC/ASIC developed by S2C helps reduce the SoC design cycle. With over 400 customers and more than 2,000 systems installed to date, the solution has recorded strong performance in China, Japan, Korea and Taiwan. S2C's products have been widely deployed in consumer electronics, communications, computing, image processing, data storage, research, education, automotive, medical and design services applications and silicon IP.

區塊鏈服務器

年內，鑒於虛擬貨幣市場波動及政府對相關行業的政策收緊，本集團決定終止銷售區塊鏈服務器。截至二零一八年十二月三十一日止年度，銷售區塊鏈服務器的收益為9.6百萬美元，較去年減少約75.3%，佔本集團總收益約23.4%。儘管區塊鏈服務器的銷售終止，但本集團將繼續專注於區塊鏈技術的發展及尋求與本集團其他業務的合作機會。

Blockchain server

During the year, the Group decided to terminate the sales of blockchain server in view of the volatile cryptocurrency market and the tightening government policies over related industries. During the year ended 31 December 2018, revenue from of sales of blockchain servers was USD9.6 million, around 75.3% less than last year, and accounted for around 23.4% of the Group's total revenue. Despite the termination of the sales of blockchain server, the Group will continue to focus on the development of the blockchain technology and look for collaboration opportunity with other businesses within the Group.

財務回顧

收益

截至二零一八年十二月三十一日止年度，本集團的收益為41.3百萬美元，較二零一七年下降約55%。收益下降主要是因為區塊鏈服務器銷售收入下降。收益按業務分部分析如下：

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2018, the Group generated revenue of US$41.3 million, representing a decrease of around 55% compared with 2017. The revenue decrease is mainly attributable to a decrease in revenue from blockchain server sales. The following table shows revenue breakdown by business segments:

		截至十二月三十一日止年度 **Year ended 31 December**				
		二零一八年 **2018**		二零一七年 **2017**		變動
		百萬美元 *US$ million*	*%* *%*	*百萬美元* *US$ million*	*%* *%*	*百分比* *Change in %*
區塊鏈服務器	Blockchain server	9.6	23.3	39.0	42.5	– 75%
視密卡	CAM	23.1	55.9	36.8	40.1	-37%
mPOS	mPOS	7.8	18.9	16.0	17.4	-51%
快速驗證系統與軟件	rapid verification system and software	0.8	1.9	—	—	—
		41.3	100	91.8	100	-55%

毛利及毛利率

截至二零一八年十二月三十一日止年度的毛利為13.7百萬美元，較二零一七年減少18.8百萬美元或57.9%，這主要因為全年收入下降；毛利率為33.1%，按年下降2.3%，歸因於mPOS產品毛利率下降。

Gross Profit and Gross Profit Margin

Gross profit amounted to US$13.7 million for the year ended 31 December 2018, representing a decrease of US$18.8 million or 57.9% compared with 2017 mainly due to a decrease in the income for the whole year. Gross profit margin decreased by 2.3% year-on-year to 33.1%, which was mainly attributable to a decrease in the gross profit margin of mPOS products.

研發開支

研發開支主要包括本集團研發人員的薪金及福利、租金及辦公開支、條件接收認證費用、專業服務費及交通及住宿。於截至二零一八年十二月三十一日止年度，研發開支由7.77百萬美元增加至7.80百萬美元，主要由於研發人員薪資上調。

Research and Development Expenses

Research and development expenses mainly include salaries and benefits of the Group's research and development staff, rental and office expenses, CA certification fees, professional service fees and transportation and lodging. During the year ended 31 December 2018, research and development expenses grew from US$7.77 million to US$7.80 million, mainly due to salary increase for research and development staff.

銷售及分銷開支

銷售及分銷開支主要包括銷售及營銷人員的薪金及福利、營銷、培訓及推廣開支、差旅及招待費及租金及辦公開支。截至二零一八年十二月三十一日止年度，銷售及分銷開支為2.7百萬美元，較二零一七年下降10.7%，主要是因為在本集團收益減少同時節省了若干可變銷售及分銷開支。

Selling and Distribution Expenses

Selling and distribution expenses mainly include salaries and benefits of sales and marketing staff, marketing, training and promotion expenses, travel and entertainment and rental and office expenses. For the year ended 31 December 2018, sales and distribution expenses were US$2.7 million, down by 10.7% compared with 2017, which was mainly due to the saving in certain variable selling and distribution expenses alongside with the decrease in the Group's revenue.

一般及行政開支

一般及行政開支主要包括管理層、行政及財務人員的薪金及福利、專業服務費、租金及辦公開支、呆賬撥備以及差旅及招待費。於截至二零一八年十二月三十一日止年度，一般及行政開支為9.6百萬美元，較二零一七年增加32.7%，主要是由於薪資及專業服務費上升。

General and Administrative Expenses

General and administrative expenses mainly include salaries and benefits of management, administrative and finance staff, professional service fees, rental and office expenses, provision for doubtful debts, and travel and entertainment. For the year ended 31 December 2018, general and administrative expenses amounted to US$9.6 million, representing an increase of 32.7% compared to 2017. The increase was mainly attributable to an increase in wage and professional service fees.

所得税（抵免）／開支

所得税（抵免）／開支分別包括本集團中國及香港附屬公司的中國企業所得税及香港利得税。所得税開支由截至二零一七年十二月三十一日止年度的税務開支2.9百萬美元轉為至截至二零一八年十二月三十一日止年度的税務抵免1.6百萬美元，主要由於若干附屬公司產生的税務虧損。

Income Tax (Credit)/Expense

Income tax (credit)/expense consists of PRC corporate income tax and Hong Kong profits tax for PRC and Hong Kong subsidiaries of the Group respectively. Income tax changed from a US$2.9 million tax expense for the year ended 31 December 2017 to a US$1.6 million tax credit for the year ended 31 December 2018, mainly due to the tax losses incurred by certain subsidiaries.

年內溢利

截至二零一八年十二月三十一日止年度溢利為1.3百萬美元，較二零一七年減少88.2%，主要由於終止區塊鏈服務器產品線及銷售下降。

Profit for the Year

Profit for the year ended 31 December 2018 amounted to US$1.3 million, representing a decrease of 88.2% when compared with 2017. It was mainly attributable to the termination of the blockchain servers product line and the decrease in sales of CAM and mPOS.

流動資金、財務資源及債務結構

本集團繼續維持良好的流動資金狀況。於二零一八年十二月三十一日，本集團的現金及現金等價物合計為55.0百萬美元(於二零一七年十二月三十一日：84.1百萬美元)，主要分別以人民幣及美元列值。本集團錄得流動資產淨值71.0百萬美元(於二零一七年十二月三十一日：100.3百萬美元)。本集團的流動比率(按總流動資產除以總流動負債計算)為457%(二零一七年十二月三十一日：678.0%)。

於二零一八年十二月三十一日，本集團有按美元計值的浮息銀行借款5.3百萬美元(二零一七年：無)。已就銀行借款抵押受限制銀行存款5百萬美元。本集團概無進行對沖活動。本集團於二零一八年十二月三十一日的資產負債比率(按銀行借款總額除以權益總額計算)為4.8%(二零一七年：不適用)。除上述銀行借款外，本集團分別在中國內地及香港持有未動用的銀行融資人民幣1億元(相等於14.6百萬美元)(於二零一七年十二月三十一日：零)及10百萬美元(於二零一七年十二月三十一日：零)。本集團概無任何其他尚未償還債務或任何發行在外或已授權但尚未發行的債務證券、定期貸款、其他借款或性質上屬於借款的債務、承兑信用、租購承擔、抵押及押記、或然負債或尚未解除的擔保。

上市所得款項淨額用途

根據本公司於二零一六年三月十六日刊發的招股章程(「**招股章程**」)所述的全球發售，本公司透過上市發行合共75,000,000股新股份(「**發售股份**」)，最終發售價為每股發售股份3.78港元。據此籌集的所得款項淨額總額(經扣除全球發售直接應佔的承銷佣金及開支後)約為251.6百萬港元。根據全球發售產生的所得款項淨額，招股章程所述的所得款項淨額建議用途已根據招股章程「未來計劃及所得款項用途」一節所載原則調整。

Liquidity, Financial Resources and Debt Structure

The Group continued to maintain a healthy and solid liquidity position. As at 31 December 2018, total cash and cash equivalents of the Group amounted to US$55.0 million (as at 31 December 2017: US$84.1 million) and were mainly denominated in RMB and US dollars. The Group recorded net current assets amounting to US$71.0 million (as at 31 December 2017: US$100.3 million) and its current ratio, calculated by dividing total current assets by total current liabilities, was 457% (as at 31 December 2017: 678.0%).

As at 31 December 2018, the Group had floating rate bank borrowings of USD5.3 million (2017: nil) which was denominated in USD. A restricted bank deposits of USD5 million had been pledged for the bank borrowings. No hedging activity had been carried out by the Group. Gearing ratio of the Group, as calculated by dividing total bank borrowings by total equity, was 4.8% (2017: N/A) as at 31 December 2018. Apart from the above bank borrowings, the Group had unutilized banking facilities of RMB100 million (equivalent to USD14.6 million) (as at 31 December 2017: nil) and USD10 million (as at 31 December 2017: nil) in Mainland China and Hong Kong respectively. The Group did not have any other outstanding indebtedness or any outstanding or authorised but unissued debt securities, term loans, other borrowings or indebtedness in the nature of borrowings, acceptance credits, hire purchase commitments, mortgages and charges, contingent liabilities or guarantees outstanding.

Use of Net Proceeds from Listing

The aggregate net proceeds raised by the Company from the Listing through the issue of an aggregate of 75,000,000 new shares (the "**Offer Shares**") at the final offer price of HK$3.78 per Offer Share pursuant to the Global Offering referred to in the prospectus issued by the Company on 16 March 2016 (the "**Prospectus**"), after deduction of underwriting commissions and expenses directly attributable to the Global Offering, were approximately HK$251.6 million. Based on the net proceeds derived from the Global Offering, proposed application of net proceeds as stated in the Prospectus had been adjusted according to the principles as specified in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

於二零一六年三月三十日(「**上市日期**」，即本公司股份於聯交所首次開始買賣日期)至本公告日期止期間，上市所得款項淨額已應用如下：

During the period from 30 March 2016 (the "**Listing Date**", being the date on which dealings in the shares of the Company first commenced in the Stock Exchange), to the date of this announcement, the net proceeds raised from the Listing had been applied as follows:

招股章程所述業務目標 Business objectives as stated in the Prospectus		**招股章程所述所得款項百分比 Percentage of proceeds as stated in the Prospectus**	**根據實際總所得款項減估計上市開支後經調整的所得款項用途 Use of proceeds adjusted according to actual gross proceeds less estimated listing expense** 百萬港元 *HK$ million*	**自上市日期起至本報告日期的所得款項實際用途 Actual use of proceeds from the Listing Date to the date of this report** 百萬港元 *HK$ million*
產品規劃及研發活動	Product planning and research and development	40%	100.64	81.54
銷售及市場推廣開支	Sales and marketing expenditures	30%	75.48	27.51
可能合併及收購	Possible mergers and acquisitions	20%	50.32	50.32
營運資金及一般公司用途	Working capital and general corporate purposes	10%	25.16	25.16
		100%	251.60	184.53

如招股章程所披露，未動用的所得款項淨額已按董事會的意向存置於香港及中國內地的持牌銀行作為計息存款。本公司並無亦不會將任何所得款項淨額用於招股章程所披露者以外的用途。

The unused net proceeds have been placed as interest bearing deposits with licensed banks in Hong Kong and Mainland China in accordance with the intention of the Board as disclosed in the Prospectus. The Company has not utilised and will not utilise any net proceeds for purposes other than those disclosed in the Prospectus.

資本承擔

截至二零一八年十二月三十一日止年度，本集團並無任何已訂約但未撥備之資本承擔(二零一七年十二月三十一日：無)或已授權但未訂約之資本承擔(二零一七年十二月三十一日：無)。

重大投資、重要收購、出售附屬公司及聯屬公司和未來重大資本資產投資或收購相關計劃

二零一八年二月八日，本公司附屬公司國微控股(香港)有限公司(「**國微香港**」)根據其與Sensel, Inc.(「**Sensel**」)等各方簽訂的一份《票據購買協議》，完成了對Sensel的2百萬美元投資。Sensel是一家以美國為基地的領先技術公司，擁有壓力網格技術，該技術採用力敏方式，糅合了業內的領先性能及額外維度控制。票據購買協議完成後，國微香港已根據票據購買協議的條款認購了2百萬美元可轉換成Sensel普通股或優先股的可承兑票據。

Capital Commitments

For the year ended 31 December 2018, the Group did not have any contracted, but not provided for, capital commitments (as at 31 December 2017: nil) or authorised but not contracted for capital commitments (as at 31 December 2017: nil).

Significant Investment, Material Acquisition and Disposal of Subsidiaries and Associated Companies and Future Plan for Material Investments or Acquisition of Capital Assets

On 8 February 2018, SMIT Holdings (HK) Limited ("**SMIT HK**"), a subsidiary of the Company, completed a USD2 million investment in Sensel, Inc. ("**Sensel**") pursuant to a note purchase agreement entered into between, among others, SMIT HK and Sensel (the "**Note Purchase Agreement**"). Sensel is an advanced technology company based in the United States, which owns the pressure grid technology that combines industry-leading performance and the extra dimension of control in the form of force sensitivity. Upon completion of the transaction, SMIT HK subscribed for a USD2 million promissory note which may be converted into common or preferred shares of Sensel pursuant to the terms of the Note Purchase Agreement.

二零一八年十一月九日，國微香港根據股票購買協定(「**購股協定**」)，通過購買Sensel的優先股(「**股票購買**」)進一步完成500萬美元的投資。股票購買完成後，國微香港按全面攤薄基準持有Sensel約9.22%權益。同時，由Sensel發行並於二零一八年二月由國微香港認購的200萬美元可換股承兑票據於股份購買完成時轉讓為Sensel的優先股。根據購股協定，國微香港所支付的可換股承兑票據下的全部款項已轉讓予Sensel以換取優先股。

On 9 November 2018, SMiT HK completed a further USD5 million investment by way of preferred stock purchase (the "**Stock Purchase**") in Sensel pursuant to a stock purchase agreement (the "**Stock Purchase Agreement**"). Upon completion of the Stock Purchase, SMiT HK held approximately 9.22% interest in Sensel on a fully diluted basis. Simultaneously, the USD2 million convertible promissory note issued by Sensel and previously subscribed by SMiT HK in February 2018 was deemed converted into preferred shares in Sensel at completion of the Stock Purchase, and the entire amount owed to SMiT HK under such convertible promissory note was tendered to Sensel in exchange for preferred stock pursuant to the Stock Purchase Agreement.

截至二零一八年十二月三十一日止年度，Sensel處於投資階段。目前，Sensel正致力於將PressureGrid引入智能電話和筆記本電腦市場，以利用此項技術於該市場實現新的尖端用戶界面和體驗。

Sensel was on investing stage during the year ended 31 December 2018. It is currently working on bringing PressureGrid to market in smartphones and laptops, where they are using this technology to enable new cutting edge user interfaces and experiences.

二零一八年十一月二十九日，國微系統(香港)有限公司(本公司附屬公司)完成其對S2C Tech Inc.(「**S2C**」)的收購，一家以硬件為基礎的快速驗證系統及軟件公司，以進一步實現其業務及收入來源多元化。根據相關購股協定的條款，本集團同意以現金代價最高額19,000,000美元加上最多2,000,000美元付款額收購19,042,988股普通股，按實際及悉數攤薄基準計算分別相當於S2C股本約94.97%及86.36%權益。因收購S2C而產生的商譽15.9百萬美元及無形資產4.6百萬美元已於收購日期在綜合財務報表中確認。

On 29 November 2018, SMIT Systemic (HK) Limited, a subsidiary of the Company, completed its acquisition of S2C Tech Inc. ("**S2C**"), a hardware-based verification system and software company to further diversify its business and revenue stream. Pursuant to the terms of the related share purchase agreement, the Group agreed to acquire 19,042,988 ordinary shares representing approximately 94.97% and 86.36% interest in the share capital of S2C on an actual and fully diluted basis, respectively, at the maximum cash consideration of USD19,000,000, plus up to USD2,000,000 payment. Goodwill of USD15.9 million and intangible assets of USD4.6 million arising from the acquisition of S2C have been recognised in the consolidated financial statements on the date of acquisition.

本集團將持續尋找有前景的標的公司來開展投資及業務合作。

The Group will continue to search for prospective targets for investment, cooperation opportunities and new business.

或然負債

於二零一八年十二月三十一日，本集團並無重大或然負債。

Contingent Liabilities

As at 31 December 2018, the Group did not have any significant contingent liabilities.

貨幣風險及管理

本集團主要於歐洲（美元計值交易）及中國（人民幣計值交易）進行銷售。本集團的視密卡與S2C銷售主要以美元計值，而mPOS機及區塊鏈服務器銷售則以人民幣計值。本集團生產成本主要以人民幣計值。

截至二零一八年十二月三十一日止年度，本集團並無訂立任何外匯遠期合約或使用任何衍生工具合約來對沖外滙風險。本集團密切監視外匯匯率變化以管理貨幣風險並會在必要時考慮對沖重大外匯風險。

僱員及薪酬政策

於截至二零一八年十二月三十一日止年度，本集團聘用約282名員工（二零一七年十二月三十一日：247名），其中251名駐於中國內地、14名駐於台灣、6名駐於香港及11名駐於世界其他國家。截至二零一八年十二月三十一日止年度員工成本（包括薪酬、社會保險、公積金及股份激勵計劃）總額為11.6百萬美元，佔本集團總收益的28.1%。

本集團與所有全職僱員均訂立僱傭協議。此外，若干高級管理層及主要研發人員已與本集團簽訂保密協議及不競爭協議。各高級行政人員已同意於僱傭協議生效期間及之後的一段時間內對本集團的任何保密數據、商業秘密或專業知識或本集團收到的任何第三方的機密數據絕對保密，且除職務上需要外，彼等不會對該等保密數據加以利用。此外，各高級行政人員已同意於其受僱期屆滿後兩年內受不競爭限制的約束。

本集團的成功依賴其吸引、挽留及激勵合資格人員的能力。本集團定期審閱其僱員的薪酬政策及工資。本集團亦致力培訓及發展我們的僱員。本集團利用研發中心、研究實驗室及項目管理團隊，確保每名僱員通過接受從技術、解決方案及服務，直至客戶、市場及行業等方面課題上進行的持續培訓來維持現時的技能，本集團為所有新僱員提供入職培訓，以及在職培訓以持續提升僱員的技術、專業及管理能力。

Currency Risk and Management

The Group's sales are primarily made in Europe, in US dollar-denominated transactions and the PRC, in RMB-denominated transactions. Sales of CAM and rapid vertification devices of the Group were predominantly denominated in US dollars while sales of mPOS devices and blockchain servers were denominated in RMB. The Group's costs of production are predominantly denominated in RMB.

For the year ended 31 December 2018, the Group did not enter into any foreign currency forward contracts or use any derivative contracts to hedge against the risk incurred from its currency exposure. The Group manages its currency risk by closely monitoring the movement of foreign currency rates and may consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policy

For the year ended 31 December 2018, the Group employed about 282 employees (as at 31 December 2017: 247 employees), of whom 251 were based in Mainland China, 14 in Taiwan, 6 in Hong Kong and 11 in other countries around the world. For the year ended 31 December 2018, staff costs (including salaries, social insurance, provident funds and share incentive plan) amounted to USD11.6 million in aggregate, representing 28.1% of the total revenue of the Group.

The Group has entered into employment agreements with all of its full-time employees. In addition, certain senior management and key research and development personnel have signed confidentiality agreements and non-competition agreements with the Group. Each senior executive officer has agreed to hold, both during and after the effective period of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her employment duties, any confidential information, trade secrets or know-how of the Group or the confidential information of any third party received by the Group. Additionally, each senior executive officer has agreed to be bound by non-competition restrictions for a period of two years following the expiry of his or her term of employment.

The Group's success depends on its ability to attract, retain and motivate qualified personnel. The Group's remuneration policy and packages for its employees were periodically reviewed. The Group is also dedicated to the training and development of employees. Towards that end, the Group leverages on the resources of its research and development centre, research laboratories and project management team to ensure that each employee maintains a current skill-set through continuous training on topics ranging from technologies, solutions and services to clients, markets and the industry. The Group provides introductory training and orientation for all new employees, as well as on-the- job training to continuously improve employees' technical, professional and management skills.

展望

隨著國內經濟不斷發展以及國家對集成電路行業的大力支持，中國集成電路行業蓬勃發展，本集團的集成電路設計業務和基於硬件的快速驗證業務將迎來前所未有的重大發展機遇。本集團將利用自身的高精尖綜合技術優勢，聚焦芯片設計領域，積極尋求該領域及其相關業務的發展機會。

CAM業務方面，本集團將持續推進CI+ 1.4及CI+ ECP標準的產品化，開發運營商DVB+OTT的hybrid節目內容的解決方案；針對不同區域的客戶需求採取不同的產品策略，積極挖掘市場中新的機會點，在東南亞以及巴爾幹地區尋找客戶機會，並致力把產品銷售到歐洲的衛星電視廣播運營商客戶。

至於本集團mPOS機方面，本集團有信心憑藉深耕行業的豐富經驗，及與行業夥伴及廣播運營商客戶的穩健業務關係可並同開發更多新項目。本集團將把握機會繼續推進各類產品於海內外的認證，保證進入不同市場符合適用法規，提升終端產品的金融安全性與市場競爭力；針對市場變化轉變產品策略，開發如移動掃碼等快捷支付設備。

本集團將繼續投入資源優化EDA、FPGA等系統設計工具的研發，掌握集成電路設計驗證的現代技術主流，加以擴大其應用層面，提升芯片的運算速度及結構效能。EDA工具的技術特性可將電子設計內容逐步細化，最後完成整體設計，為電子系統設計帶來高層次的全自動設計方法。而FPGA可為集成電路設計作出層層分解，直至整個系統中各子模組關係合理、便於設計實現為止。以上系統設計工具在集成電路設計行業應用廣泛，為工程師的不二之選。本集團將基於現有的EDA、FPGA工具範本上加以完善，希望製造高性能、高速度、高靈活度及低成本的產品，讓更多集成電路設計用家受益。

OUTLOOK

With the continued economic advancement in China and buttressed by the Chinese government's strong support, the IC industry has flourished in China presenting tremendous development opportunities to the Group's IC design business and hardware-based rapid verification business. The Group intends to leverage its high-end, state-of-the-art and sophisticated integrated technology to focus on IC design and will actively seek development opportunities in that field and related businesses.

As for the CAM business, the Group will continue to push forward, launching CI+ 1.4 and CI+ ECP CAM products and developing solutions for hybrid content delivered by the operator DVB+OTT. It will adopt different product strategies to respond to a variety of customer needs in different regions, actively explore new opportunities in new geographic and applications markets, seek customers and opportunities in South East Asia and the Balkans and sell its products to satellite TV broadcast operator customers in Europe.

As for the Group's mPOS devices, on the back of its extensive industry experience and solid business relationship with its industry partners and broadcast operator customers, the Group is confident in exploring further new projects. It will continue to facilitate the certification of its range of products both locally and overseas, ensuring their entry to different markets in compliance with applicable regulations, enhancing financial security and market competitiveness of its terminal products. The Group will also closely monitor the market and proactively adjust its product strategies in accordance with shifting trends, for example, developing fast payment devices such as scanners for mobile codes.

The Group will continue to invest in resources to optimize the R&D of system design tools such as electronic design automation (EDA) and field programmable gate arrays (FPGA) and tap the main trends in technology advances in IC design verification to broaden the scope of application and improve the processing speed of its chipsets and their structural performance. Technical features of the EDA tools can gradually refine electronic design details and overall design will be efficiently completed, resulting in a high-level and fully automated design approach for electronic system design. FPGAs can analyze every layer of the IC design until the operational connection between all sub-modules of the whole system is rationalized and ready for convenient design creation. These system design tools are widely used in the IC design industry and have become preferred tools of engineers. The Group will conduct further optimization of the existing EDA and FPGA tool templates, with the aim of producing high performance, high speed, highly flexible and low-cost products to benefit more IC and SoC design users.

本集團未來將繼續邁步向前，以自身在全球付費電視廣播接收及中國的移動銷售終端支付系統安全裝置的領先地位，透過策略性收購行動深化在集成電路領域的技術研發及全方位應用，多元化拓展本集團業務及增加收入來源。集成電路技術和電腦技術發展一日千里，市場對於芯片等核心元件的要求亦與日俱增，在市場的剛性需求下，國微技術有信心憑藉過往豐富的行業經驗，抓緊市場機遇，繼續研發先進精密的芯片技術，進一步鞏固本集團的領導地位。另外，本集團持續關注並尋找行業及產業鏈內有投資價值且能與公司業務產生協同效應的標的技術與公司，在擴展業務的同時，為股東帶來更大回報。

The Group will continue to move forward in the future, diversifying its business and broadening its revenue stream by leveraging its position as a leading provider of security devices used in pay-TV broadcasting access and mPOS payment systems in China, and expanding its R&D efforts in IC related technology and all-round applications through strategic acquisitions. Driven by the rapid development of ICs and computer technologies, market demand for core components is also increasing. Given the rigid market demand, SMIT is highly confident that, with its accumulated industry experience, it can grasp market opportunities and continuously develop advanced and sophisticated chipset technology and ultimately further reinforce its industry leadership. In addition, the Group will continue to evaluate and seek target technologies and companies which have investment value and which can generate synergies with its businesses within the industry and along the industry chain, with the aim of bringing greater return to shareholders while expanding its business and revenue streams.

報告期結束後重大事項

於報告期後直至本公告日期，並無發生重大事項。

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant event has occurred after the end of the Reporting Period and up to the date of this announcement.

年度股息

董事會建議就截至二零一八年十二月三十一日止年度派發年度股息402,964美元(截至二零一七年十二月三十一日止年度：802,533美元)。

ANNUAL DIVIDEND

The Board recommend the distribution of an annual dividend of USD402,964 for the year ended 31 December 2018 (year ended 31 December 2017: USD 802,533).

購買、出售或贖回本公司上市證券

截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

公眾持股量

根據公開予本公司查閱的資料並就董事會所知，截至本公告日期，本公司維持香港聯合交易所有限公司證券上市規則(「**上市規則**」)所訂明不少於25%的公眾持股量。

PUBLIC FLOAT

Based on information that was publicly available to the Company and to the best knowledge of the Board, as at the date of this announcement, the Company maintained the prescribed public float of no less than 25% under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

董事資料變動

根據上市規則第13.51B(1)條更新董事資料。獨立非執行董事胡家棟先生於二零一八年六月七日自啟迪國際有限公司(香港聯交所股份代號：872)(一家在聯交所主板上市的汽車安全公司)卸任執行董事及首席財務官一職。

CHANGES IN DIRECTORS' INFORMATION

As Directors' information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, our Independent Non-executive Director Mr. Woo Kar Tung Raymond tendered his resignation as an executive director and the chief financial officer of TUS International Limited (HKSE: 872), an automotive safety company listed on the Main Board of the Stock Exchange, with effect from 7 June 2018.

遵守企業管治守則

自本公司股份於二零一六年三月三十日上市起，本公司已採納上市規則附錄十四所載的企業管治守則及企業管治報告(「**企業管治守則**」)，作為其本身的企業管治守則。於截至二零一八年十二月三十一日止年度，本公司一直遵守企業管治守則所載的守則條文，惟守則條文第A.2.1條除外。

根據企業管治守則條文第A.2.1條，其規定主席及行政總裁的角色應予區分，且不應由同一人士出任。由於本公司主席與首席執行官的職責均由黃學良先生履行，本公司因而偏離企業管治守則條文第A.2.1條。董事會相信，基於黃學良先生於業內的豐富經驗、個人履歷及其對本集團及其過往發展所擔當的關鍵角色，由其出任主席兼首席執行官實屬必要。董事會相信，一人身兼兩職的安排能提供強勢及貫徹的領導，並有助本集團進行更有效的規劃及管理。由於所有主要決策將於諮詢董事會成員後作出，且董事會有三名獨立非執行董事提供獨立意見，故董事會認為，目前有充足保障措施，確保董事會內有足夠的權力制衡。董事會亦將繼續檢討及監察本公司的常規，以遵守企業管治守則及讓本公司維持高水平的企業管治常規。

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Listing Rules as its own code of corporate governance since the listing of the Company's shares on 30 March 2016. The Company has complied with the code provisions of the CG Code set out therein except for the code provision A.2.1 of the CG Code throughout the year ended 31 December 2018.

Pursuant to CG Code provision A.2.1, the role(s) of chairman and chief executive should be separated and should not be performed by the same individual. As the duties of chairman and chief executive of the Company are performed by Mr. Huang Xueliang, the Company has deviated from the CG Code provision A.2.1. The Board believes that it is necessary to vest both the roles of chairman and chief executive in Mr. Huang Xueliang due to Mr. Huang Xueliang's extensive experience in the industry, personal resume and the critical role played by Mr. Huang in the Group and its past development. The Board believes the dual role arrangement provides strong and consistent leadership and is critical for efficient planning and management of the Group. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors in the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

遵守上市公司董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則為董事進行本公司證券交易的行為守則。向全體董事作出具體查詢後，本公司確認全體董事於截至二零一八年十二月三十一日止年度一直遵守標準守則所規定的標準。

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by the Directors. Having made specific enquiries with all the Directors, the Company confirms that all the Directors have complied with the required standard as set out in the Model Code during the year ended 31 December 2018.

審核委員會

審核委員會已與本公司管理層及外部核數師審閱本集團所採納的會計原則及慣例，並討論審計、內部控制及財務申報事項，包括審閱截至二零一八年十二月三十一日止年度的年度業績。

THE AUDIT COMMITTEE

The audit committee has reviewed with the Company's management and the external auditors the accounting principles and practices adopted by the Group, and has discussed auditing, internal control and financial reporting matters, including the review of the annual results for the year ended 31 December 2018.

核數師的工作範圍

本集團核數師羅兵咸永道會計師事務所已同意本初步公告上所載本集團截至二零一八年十二月三十一日止年度之綜合財務狀況表、綜合全面收益表、綜合收益表、綜合權益變動表以及其相關附註之數字，乃以本集團之草擬年度綜合財務報表所載之金額為基準。羅兵咸永道會計師事務所就此進行之工作並不構成按照香港會計師公會所頒佈之香港核數準則、香港審閱委聘準則或香港核證委聘準則所指核證委聘，因此，羅兵咸永道會計師事務所並無就本初步公告作出任何保證。

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, consolidated income statement, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2018 as set out in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

刊發年度業績及年度報告

本公司的年度報告將於適當時候寄發予本公司股東，並將會登載於香港交易及結算所有限公司網站(www.hkexnews.hk)及本公司網站(www.smit.com.cn)，以供閱覽。

承董事會命
國微技術控股有限公司
主席
黃學良

香港，二零一九年二月二十八日

於本公告日期，執行董事為黃學良先生(主席兼首席執行官)、帥紅宇先生及龍文駿先生；非執行董事為曾之杰先生、關重遠先生及高松濤先生；及獨立非執行董事為張俊杰先生、胡家棟先生及金玉豐先生。

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual report of the Company will be dispatched to the shareholders of the Company and published on the Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk) and the Company's website (www.smit.com.cn) in due course.

By order of the Board
SMIT Holdings Limited
Huang Xueliang
Chairman

Hong Kong, 28 February, 2019

As at the date of this announcement, the executive Directors are Mr. Huang Xueliang (chairman and chief executive officer), Mr. Shuai Hongyu and Mr. Loong, Manfred Man-tsun; the non-executive Directors are Mr. Zeng Zhijie, Mr. Kwan, Allan Chung-yuen and Mr. Gao Songtao; and the independent non-executive Directors are Mr. Zhang Junjie, Mr. Woo Kar Tung, Raymond and Mr. Jin Yufeng.